

# **UK policy co-ordination during the 1990-91 Intergovernmental Conference**

**Alasdair Blair<sup>1</sup>**

**Final Draft**

*Diplomacy and Statecraft*, Vol.9, No.2, 1998, pp.159-182. ISSN: 0959-2296.

## **Abstract**

Despite the importance of European Union negotiations, the majority of scholarly attention has not been directed towards the means by which policy is co-ordinated in Member States. This article addresses one aspect of this gap by focusing upon the structures which existed for UK policy-making during the 1990-91 IGC negotiations. Particular emphasis is attached to the key role of officials, who often proved crucial to the extraction of compromises at the European level, and the manner by which policy was constrained by the inability of the Prime Minister to dominate Cabinet.

The completion of the 1990-91 Intergovernmental Conference (IGC) negotiations at the December 1991 Maastricht European Council<sup>2</sup> encouraged analysis of both the Treaty on European Union (TEU) itself and the role played by Member States in its negotiation.<sup>3</sup> Little scholarly attention however has been paid to how policy was co-ordinated within individual Member States during the European Political Union (EPU) and Economic and Monetary Union (EMU) IGCs. This article seeks to address this lacuna, by analysing the structures which existed for United Kingdom (UK) policy-making during the negotiations and the degree of Ministerial and official involvement. Such analysis is particularly pertinent to the UK, where the government's overall position was negative. It hoped to reach broad agreement on issues such as a stronger role for foreign policy co-ordination (through intergovernmental methods of co-operation), the introduction of the concept of subsidiarity, greater enforcement of EC legislation, and ensuring the European Parliament (EP) had a stronger non-legislative role.<sup>4</sup> The government sought agreement also on points it objected to, such as greater usage of qualified majority voting (QMV), the introduction of a co-decision legislative procedure for the EP, the development of social policy, the creation of an integrated defence force which might jeopardise the relationship with NATO, and the development of a single currency.<sup>5</sup>

An examination of policy co-ordination helps to explain the outcome of the IGCs, where the UK obtained, *inter-alia*, an opt-out from the Social Chapter and the third stage of EMU, while accepting an increase in the power of the EP through a co-decision procedure and a commitment to a 'common defence' within a Common Foreign and Security Policy (CFSP).<sup>6</sup> The decision of the government to stand firm on some points while conceding ground on others can be explained only by examining the influence of

differing departments and government Ministers with regard to the topics for which they were responsible, and their relevance both to the IGC negotiations and the UK cause. Coverage is selective, focusing on the more important aspects, namely CFSP, institutional issues, social affairs and EMU. Other matters certainly were of some moment in the talks, such as citizenship of the Union and the rights of citizens; the Committee of the Regions; and power for the European Court to impose fines on persistently offending Member States. However, they were rarely as significant to the UK cause.

## I

### **Policy co-ordination at the highest level: Cabinet**

Of the principal actors involved in the EPU negotiations, the Cabinet Office European Secretariat and the Foreign and Commonwealth Office (FCO) receive particular attention. The former had the greater co-ordination role in the IGC, and EC policy generally, as it was where the government's policy and tactics were settled. In this context the FCO, under Douglas Hurd's leadership, was but one of many government departments that influenced meetings, though its remit was wider on specific issues such as CFSP. Other significant departments included the Department for Trade and Industry (DTI), the Department for Employment (DfE), the Home Office and the Treasury, respectively controlled by Peter Lilley, Michael Howard, Kenneth Baker and Norman Lamont. Their authority focused on specific points which fell within their remit, such as social policy, interior affairs and EMU. While they influenced other aspects of the talks, through participation in Cabinet committees, they did not share the FCO and Cabinet Office's interest and concern as to how different parts of the negotiations gelled together. Thus, the latter two had a greater interest in, and influence on, a wider body of subjects.

Throughout 1990-91 the IGC did not receive particular attention at full Cabinet meetings unless specific problems needed to be discussed. Lamont does not remember being asked any serious questions on EMU during Cabinet discussions, and those which arose tended to be very short.<sup>7</sup> An EMU opt-out was Cabinet policy and therefore debates were of a technical nature which he considered colleagues would not have understood.<sup>8</sup> In comparison, Howard convinced the Cabinet of the dangers which could effect British industry if the UK agreed to have a Social Chapter inside the Treaty.<sup>9</sup> This shows that only issues of the greatest significance, and those backed by influential Cabinet members, were addressed. Time restraints imposed on Cabinet meetings meant it was (and is) virtually impossible for detailed discussion to take place; meetings comprising some 22 members are generally too large to be an effective forum for reaching agreement. Throughout 1991 Cabinet was overloaded with other topics, including the reform of the Community Charge, while the more imminent general election question loomed over all government policy. The end product of these factors was that the IGC proved not to be the top Ministerial priority. This affected the manner in which policy was resolved at the highest level. Whereas Cabinet was united in its desire for the UK to obtain a single currency opt-out, decisions involving wider consultation were not taken at an early stage on complex matters. Negotiators at official level were not provided with a full set of tactical instructions, only being made aware of general preferences which outlined what the government was against rather than how objectives could be obtained. This reflected John Major's unwillingness and inability to impose policy on colleagues whom he had recently been dependent upon for his elevation to Prime Minister.

Discussion of European policy was generally referred by Major to the appropriate Cabinet Committee, normally the Ministerial Sub-Committee on European Questions (OPD(E)).<sup>10</sup> Otherwise, he would ask Hurd to write to other Ministers and officials in advance with a proposed government line.<sup>11</sup> OPD(E), chaired by Hurd, was the principal discussion group at Ministerial level during the IGC, its term of reference being ‘to consider questions relating to the United Kingdom’s membership of the European Union and to report as necessary to the Ministerial Committee on Defence and Overseas Policy’.<sup>12</sup> The latter, (OPD), was its parent committee with a smaller membership comprising only six Ministers, chaired by the Prime Minister, who was not a member of OPD(E), and with a broader term of reference being ‘to keep under review the Government’s Defence and Overseas policy’.<sup>13</sup> OPD, in its official composition, never discussed IGC issues, although towards the end of the negotiations an enlarged version had some discussions because Major wanted to exercise direct influence on government policy when the prioritisation of unsolved issues, which by definition tended to be more significant, were debated. Such meetings effectively comprised OPD(E) members, but with the Prime Minister in the chair instead of the Foreign Secretary. This meant it was OPD(E) which highlighted the government’s objectives, such as the need for the ‘federal’ goal to be deleted from Article A, hostility towards the Social Chapter, and a desire for the concept of subsidiarity (Article 3b) to be stated. In the formation of these objectives no special committees were established for the duration of the negotiations, and there were no special seminars.<sup>14</sup>

## **Policy co-ordination at the highest level: Mandarins**

While Hurd chaired the key Ministerial committee during the IGC, the dominant official committee, particularly with regard to the IGC-EPU, was chaired by the head of the Cabinet Office European Secretariat, David Hadley. The co-ordinating committee of Deputy Secretaries, known as EQ(S) - European Questions (Steering) - serviced OPD(E).<sup>15</sup> That the issue of European policy was more effectively co-ordinated by the European Secretariat was noted by the 1977 Central Policy Review Staff Study of UK Overseas Representation. It adduced two reasons for preferring it to the FCO in this position; firstly that ‘...much of EEC business is about domestic issues of which the FCO has no direct experiences...’, and secondly that ‘...other departments would not want the FCO to have this function because they consider it is understandably inclined on occasion to advance the diplomatic and political interests of the UK as it sees them, at the expense of other UK interests’. Therefore, the conclusion was a ‘...non-departmental co-ordinator thus seems best....’<sup>16</sup> This was emphasised by Brian Bender, the present head of the European Secretariat, when he noted the ‘...FCO has - and wishes to argue - a particular departmental point of view on EC issues. It could not do this and at the same time hold the ring in Whitehall’.<sup>17</sup>

The very size of the European Secretariat, comprising 18 people including typists, meant it could not get involved in all aspects of the negotiations. In comparison, the equivalent organisation in Paris, the SGCI, has a staff of over 100 people and accordingly a greater remit. Where issues were the prerogative of a particular department, and would thus not throw up inter-departmental differences which needed to be resolved, the European Secretariat tended not to get involved, except peripherally. It was not involved in

the monetary policy debate which was dealt with by the Treasury; or CFSP, which was mainly dealt with by the FCO; and was also not much involved in Justice and Home Affairs (JHA), since this mostly fell within the Home Office's responsibilities.

The European Secretariat also influenced policy through its chairmanship of EQ(O), the official committee which dealt with routine Community business.<sup>18</sup> Its purpose, like other official Cabinet Committees, was to serve Members of the Cabinet, and the Prime Minister in particular, by settling those issues which could be decided at an early stage of discussion. Otherwise, because the European Secretariat's work involved dealing with Treaty language, legal advice was essential. This included giving considered and authoritative determinations of legal matters arising in the IGC and other EC questions. On more important issues, it involved chairing committees of legal advisers from different government departments to produce a co-ordinated view. On issues where the legal position might bear on policy, policy makers as well as lawyers could be present. The result of involving such officials in the creation of a common position was, as Wallace notes, '...to leave little leeway to individual departments or officials to depart from agreed lines of reasoning'.<sup>19</sup> But, if differences of opinion arose (or where questions were of such importance or political sensitivity that Ministers needed to consider them collectively), then its job was to isolate the questions and present them in the best possible light for discussion. In that respect, it is unlike the Chancellery in Bonn, which exists to inject a view from the Chancellor through a policy-making role, partly a result of the loosely co-ordinated nature of European policy within Germany. The Cabinet Office is never in a position to force its position on other departments because of its co-ordinating role.<sup>20</sup>

Hadley's specific job was to chair the more important meetings on the co-ordination of EC policy in general, and to brief the Prime Minister before every European Council.<sup>21</sup> One of the other main tasks he undertook was to support the Foreign Secretary's personal representative on the EPU negotiations, Sir John Kerr,<sup>22</sup> who was also the UK Permanent Representative to the EC. This involved two roles, the first of which was policy adviser. The second was to ensure progress in the IGC could be presented to other government departments as being a consensus viewpoint, and not just the opinion of the FCO. This was important because of the perception within Whitehall of a pro-European FCO, who with UK accession to the Community had begun to influence the affairs of other government departments. Hennessy considered FCO diplomats had '...found a new place in the sun...'<sup>23</sup> A manifestation of this was Kerr's anxiety that Hadley should be involved in all aspects of the negotiations because he foresaw that, when difficulties arose, other government departments would more readily believe him, in conjunction with Hadley, on what was negotiable, than they would if he acted alone.<sup>24</sup>

During the IGC Kerr had great influence as the principal official with detailed knowledge of both the Community negotiation process and the room for flexibility of other Member States. His role was not just to carry out instructions from London, but to play a full part in discussing policy and tactics. Throughout the conference the intention was for an agreed conclusion to be reached after consultation with relevant government departments, with the UK Permanent Representation (UKRep) providing advice on the feasibility of chosen approaches, as well as offering alternative solutions. The formal contact between Kerr and Whitehall was demonstrated by his weekly Friday visits to London to discuss issues which would arise in the coming week, his occasional visits to brief the Prime



Minister or Foreign Secretary, and his attendance at OPD(E) meetings, commitments in Brussels permitting.<sup>25</sup> This was an important exercise as it ensured he knew exactly what London was thinking and, when matters came up in IGC discussions, could move the negotiations in the desired direction (although this was dependent on clear instructions). In advancing the UK line, Kerr was primarily supported by John de Fonblanque, Counsellor for political and institutional affairs. His role extended to membership of the Friends of the Presidency<sup>26</sup> and Antici Groups<sup>27</sup>, and to being the UK official note-taker during the IGC, as well as at European Council meetings.<sup>28</sup>

In contrast to the massive interdepartmental machinery which co-ordinated policy on EPU, the EMU discussions were handled by a more select group. There were contacts at various levels involving the Treasury, the FCO, Cabinet Office, and Bank of England (BoE). While the Cabinet Office was (and is) essentially neutral, the Treasury was not as enthusiastic towards Europe as the FCO. Whereas the FCO was essentially in favour of EMU largely due to the fear of being left out, no Treasury Minister was in favour of EMU.<sup>29</sup> The key Treasury official was the government's personal representative on the IGC-EMU, Sir Nigel Wicks, who was the Second Permanent Secretary. The 'Wicks Group'<sup>30</sup> played an important role in co-ordinating and formulating government policy in the run-up to the IGC, but once the talks commenced met less often, because there was insufficient time for such an elaborate policy structure.<sup>31</sup> Its role involved policy-making because decisions were taken in the Treasury, and not the Cabinet Office. Within the Treasury the key group dealing with the monetary statutes and the role of the BoE was led by Paul Gray, the Under-Secretary in the Monetary Division, and was important in formulating the UK Hard European Currency Unit plan between September and December

1990. It did not, however, have a regular timetable or fixed membership: those represented might include other interested parts of the Treasury and, as appropriate, the Cabinet Office, FCO, and UKRep.<sup>32</sup> Otherwise, the Treasury's legal adviser, Mark Blythe, played a crucial role in providing legal input to both Hecu text and the EMU opt-out.<sup>33</sup>

Significantly, the BoE's role during the IGC negotiations extended to working with other Central Banks on the European Central Bank Statute, and being involved with the work in the EC Monetary Committee, the latter of which resulted in detailed discussions with the Treasury, and to a lesser extent FCO, on the non-Central Bank content of the Treaty.<sup>34</sup> It played no direct part in the EMU personal representative meetings, not even having an observer present. BoE non-presence was because of a sense that it had its own part to play on the Central Banking front and there was a question over what role it could, or would, play at the negotiating table given that Central Bankers did not have any legal locus there. This differed from the Bundesbank who made a point of attending EMU meetings. Some BoE officials considered it would be useful to have an observer present (not necessarily a senior official), as a lot of Central Banks did, to ensure full communication on events. This, however, was not accepted because the preferred solution was to have a clean break. While BoE officials believed no problems arose from its non-attendance, there was a consideration that it would not have been able to influence the UK line even if present. This was a result of the political decision to separate the UK from the majority position in favour of EMU.

Where BoE opinion differed from the Treasury, it was not able to convince the latter of its views during discussions in London. It argued that the supervisory functions of the ECB,

as outlined in Article 105(6) and Chapter V, Article 25, of the Protocol on the ECB, should have had a more positive provision within the Treaty than that eventually provided for.<sup>35</sup> The rather tortuous wording of Article 25 stressed that if the Council of Ministers decided at some point in the future, that circumstances warranted a specific supervisory role being given to the ECB, they could pass legislation to provide it with such authority. It was a negative rather than positive provision, resulting in a split between the Treasury and the BoE. Some Member States, including the UK and France, were somewhat nervous that they were ceding a considerable degree of influence to the ECB, and therefore wished to limit the range of activities over which it had such independence. They considered that to give it responsibility for supervision at the European level was too extensive a range of powers, and accordingly it was extremely unlikely that the BoE would have exerted influence at the European negotiating table.<sup>36</sup>

## II

### **The Politics of Trust: Foreign Policy and the European Parliament**

While the European Secretariat and OPD(E) helped outline broad policy objectives, a great deal of power rested with the individual government departments which controlled particular policies. As noted, the FCO exerted the greater influence on European affairs during the IGC, especially within the EPU negotiations, not least because of Hurd's chairmanship of OPD(E) and presence at Foreign Affairs Councils, while he too had a greater say within Cabinet.<sup>37</sup> Although he only received 38 votes in the second ballot of the November 1990 Conservative leadership contest, they comprised many key figures who were, or subsequently became, Cabinet Ministers.<sup>38</sup> These developments provided Hurd

with wider authority to explore possible alliances with other Member States during the IGC. In addition, the FCO recovered some of the ground lost to Number 10 during the 1980s, while at a Ministerial level the two significant individuals, Hurd and the Minister of State, Tristan Garel-Jones,<sup>39</sup> were both committed Europhiles. This contrasted with the more Eurosceptic teams at the Treasury (Norman Lamont and Francis Maude) and the DfE (Michael Howard and Eric Forth). Kenneth Baker at the Home Office and Peter Lilley at the DTI also were sceptical.

Within the FCO the key meeting was chaired by the Assistant Under-Secretary for EC affairs, Michael Jay.<sup>40</sup> The group's purpose was to resolve disputes within the FCO on issues relating to the broad aspects of the IGC, and therefore it was a policy co-ordinating group dealing with business management, rather than a policy-making group. In terms of Ministerial linkage the group worked through the FCO Minister of State with responsibility for EC affairs, Tristan Garel-Jones,<sup>41</sup> and Hurd. Of the two, Garel-Jones remained in closest touch with the negotiations and with the official co-ordinating mechanisms.<sup>42</sup> Policy-making was divided between issues which had an internal and external impact on the EC. Internal issues came under the control of European Community Department (Internal) (ECD(I)), headed by Michael Arthur, while an IGC unit was established within it to distribute Member States' proposals around Whitehall and to produce an agenda before, and a checklist of action points after, each meeting of the Jay Group. External issues, in particular security policy, came under the control of the European Community Department (External) (ECD(E)) and Security Policy Department,<sup>43</sup> headed by Emyr Jones Parry and Stephen Gomersall respectively. Negotiating points were then subject to scrutiny by FCO legal advisers, particularly the Deputy Legal Adviser, Martin Eaton.

At a tactical level the influence of the FCO within the negotiations was particularly apparent on CFSP and the EP, where it was the dominant player within Whitehall, despite the Ministry of Defence (MoD) being involved in the former.<sup>44</sup> The Europhile nature of the FCO, and Major's preparedness to trust Hurd to negotiate policy, meant that it was not a coincidence that the UK's position within the CFSP dossier was one of constructive engagement, while it also acquiesced to an increase in the power of the EP. The former was a direct result of the government's intrinsic importance to CFSP; any agreement without the UK would have been virtually worthless, while the question of providing the EP with a co-decision power was not perceived to raise major matters of principle in domestic UK politics.<sup>45</sup>

On CFSP the UK eventually advanced a text<sup>46</sup> in conjunction with Italy on 4 October 1991 which was a direct attempt to challenge both the Franco-German alliance within the negotiations and a means of countering any future federalist aspirations in this policy arena.<sup>47</sup> The benefit to the UK was the demonstration to other Member States that its concept of a European Security and Defence Identity (ESDI), which was firmly attached to NATO, was supported by another Member State. Hurd's role was crucial, harbouring a particular fondness for Italy having worked as a diplomat in Rome between 1960-63. At a domestic level backbench MPs were less aware of the government's diplomacy, being more concerned about social policy and EMU.<sup>48</sup> But while the text was influential in the final Maastricht outcome, as the government managed to secure that the special relationship between Western Europe and North America was a key element of the European identity, the UK conceded that 'the common foreign and security policy shall include all questions related to the security of the union, including the eventual framing of a common defence

policy, which might in time lead to a common defence',<sup>49</sup> which represented a significant concession on the UK's pre-IGC position against a common defence.

Just as on CFSP, the government shifted tact from its initial broadside within the EP negotiations. Based on a belief that there was no requirement to alter the existing range of legislative acts, it was therefore not convinced of the necessity to introduce a co-decision procedure.<sup>50</sup> Despite the twin preference of increasing the non-legislative role of the EP and strengthening national parliaments,<sup>51</sup> London indicated that if co-decision was going to be included then it would be more palatable if it covered areas which were subject to the existing co-operation procedure.<sup>52</sup> Domestically, the significant factor was that the co-decision question was hardly raised in the June 1991 Parliamentary debate, the purpose of which was to examine the government's negotiating position.<sup>53</sup> A combination of Parliamentary interest being focused on other topics and the greater authority empowered in Hurd to negotiate on behalf of the government, influenced the UK's preparedness to give the EP veto powers in certain policy areas, including the environment, while simultaneously advocating an increase in the EP's powers for the internal market.<sup>54</sup> Flexibility on internal market provisions was influenced by primary decisions having already been taken and, therefore, only secondary issues needed to be solved.

UK pliability was demonstrated at the start of the Maastricht European Council by Major agreeing to the introduction of the co-decision,<sup>55</sup> primarily because he wanted to demonstrate both his commitment to the meeting and personal desire for agreement. It was perceived as an act of good faith by other Member States and, therefore, in offering movement on co-decision he expected assistance in obtaining other UK objectives. Both this development and movement on CFSP was influenced by the ability of Major and Hurd

to resolve policy with little influence coming from other Cabinet Ministers, or the wider Parliamentary Party. Yet where policy was subject to wider Cabinet influence, the resolution of differences became a more complex matter. Ministers dealing with specific portfolios could display a strong command of detail relevant to their particular field of competence, but were less sure-footed with issues which involved a wider reference. Hence, while UK acceptance of the co-decision procedure contradicted the natural Eurosceptic instincts of Baker, Howard, Lamont and Lilley, their insufficient knowledge of this policy area meant that they did not raise objections within Cabinet.

### **Knowledge is Power: Social Policy**

Despite the Foreign Office's remit encompassing the majority of IGC policy, it was not able to determine UK preferences on social policy because the DfE took particular responsibility in this connection, which placed the Secretary of State, Michael Howard, in a particularly strong position.<sup>56</sup> This, combined with the fact that it was 'easier' for MPs to unite behind social policy rather than other more complex IGC topics, such as foreign policy, interior affairs and institutional reform, helped raise Howard's position within Cabinet. Significantly, because Major was younger, more inexperienced, and therefore felt himself to be *primes inter pares*, rather than someone who towered over the rest, he was not able to disregard the views of Ministers who were likely to accede to senior positions, and even possibly challenge for the leadership - as well as representing particular sections of support within the wider Parliamentary Party. Hence, Howard proved to be a notable influence on government policy, which was also borne out of the fact that he had been appointed to the DfE eleven months earlier and consequently had a more commanding

grasp of that portfolio than other Ministers at the commencement of the negotiations (see table 1).

**Table 1**  
**Government Ministers length of tenure at the end of 1991<sup>57</sup>**

Name	Department/Position	Complete months in post
1. Lord Mackay	Lord Chancellor	51
2. Tom King	Defence	28
3. John Wakeham	Energy	28
4. Antony Newton	Social Security	28
5. John Gummer	Agriculture	28
6. Peter Brooke	Northern Ireland	28
7. Douglas Hurd	Foreign Office	26
8. Michael Howard	Employment	24
9. David Hunt	Wales	20
10. Peter Lilley	Trade and Industry	18
11. Kenneth Clarke	Education	14
12. John Macgregor	Leader H/Commons	14
13. William Waldegrave	Health	14
14. John Major	Prime Minister	13
15. Norman Lamont	Treasury	13
16. Kenneth Baker	Home Office	13
17. Chris Patten	Chllr of Duchy of Lancaster	13
18. Michael Heseltine	Environment	13
19. Lord Waddington	Leader H/Lords	13
20. Malcolm Rifkind	Transport	13
21. Ian Lang	Scotland	13
22. David Mellor	Treasury (Chief Secretary)	13
Ministers crucial to IGC negotiations		Ministers important to IGC negotiations

While the Ministerial team within the DfE was broadly Eurosceptic, Howard monopolised debate and the organisation of policy development.<sup>58</sup> He was able both to utilise the resources of the Department to defend his policy line, and convince Cabinet and Parliamentary colleagues of the pitfalls of other Member States proposals. Moreover, he was less interested in participating in discussions with his continental counterparts. Accordingly, the FCO was not influential within the social policy negotiations, despite giving tactical advice about how the government could best play its hand. This became particularly apparent during the endgame of the negotiations, when the combination of



Howard's strength within the Party, and London's long-standing antipathy towards the regulation of employment policy by Brussels, ensured that social policy emerged into a crunch issue.<sup>59</sup> In particular, Howard threatened resignation if the government accepted a Social Chapter inside the Treaty,<sup>60</sup> while immediately prior to Maastricht he presented Cabinet with a text outlining what he considered would constitute an acceptable agreement on social policy at Maastricht, what could be conceded if pressed, and what was not acceptable.<sup>61</sup> Its significance lay not in content, rather in that he was able to dictate policy, which suggested Cabinet arithmetic favoured Howard.

Thus, maintaining Party unity, in particular that of the Cabinet, and not wanting to provoke a seism by forcing Howard to resign, proved to be the crucial factor in defining government policy. Major was aware that Howard's presence outside Cabinet would undermine his own position, possibly sparking a further leadership contest. Indeed, the Right wing of the Party warned Major about conceding extra powers to Brussels on 4 November.<sup>62</sup> The outcome of the social policy negotiations was a refusal by London to accept even a watered down Social Chapter at the December 1991 Maastricht European Council. The consequence of this was for a Social Agreement to be attached to the Treaty, backed up by a Social Protocol. The other eleven Member States could, with the exception of the UK, take acts and decisions among themselves and apply them as far as they were concerned. Any resulting acts would not be applicable to the UK (in principle), and implementation costs would not be borne by UK tax-payers.

This demonstrated that individual Cabinet Ministers who controlled portfolios directly relevant to the IGC were able to translate highly-crafted preferences into government policy. Significantly, while seventeen Cabinet Ministers were either Europhiles or had

neutral views on Europe, four of the remaining five Eurosceptic Ministers controlled portfolios pertinent to the IGC (see table 2). By contrast, the vast majority of Europhiles were based in departments which were not crucial to IGC policy. But among the Eurosceptic Ministers, the Home Secretary, Kenneth Baker, was less of a dominant figure within his own departmental remit, namely JHA. This was because a greater number of actors exercised an influence in this policy area, in particular the FCO, European Secretariat and UKRep, which reflected Baker's lack of influence within Cabinet: he did not represent any significant faction of the Conservative Party and was also in the twilight of his career. In his memoirs he recalled that he 'urged' both Major and Hurd, on two separate occasions, to secure a renegotiation of Article 8A of the Single European Act (SEA) to ensure the UK retained control over its immigration and frontier controls. But both Major and Hurd '...felt unable to raise the whole interpretation of Article 8A and the Declaration', leaving Baker '...very disappointed that this fundamental European challenge to our sovereignty was never raised at the Maastricht meeting'.<sup>63</sup> Baker was effectively sidelined, his views - and personal position - not considered significant enough to merit policy change.

Indeed, the advancement of a UK text within the field of JHA arose out of Kerr's consideration that it was essential for a proposal to be developed as a means of shaping and influencing the debate, which contrasted with London's position on social policy, whereby it chose not to advance texts. Accordingly, by putting forward proposals the government acknowledged that there was a need for increased co-operation within this policy area, which had been initially signposted in the December 1990 Rome mandate,<sup>64</sup> although UK preferences were basically limited to the formalisation of activities previously

carried out on an intergovernmental basis.<sup>65</sup> The Home Office's initial lack of influence reflected the absence of a European Community Unit within the department, with one finally being created in February 1991 after the advancement of the UK text.<sup>66</sup>

**Table 2**  
**Cabinet Ministers' Positions on Europe during IGC Negotiations**

<b>Relevance to IGC policy-making</b> (arranged in alphabetical order)	<b>'Pro'</b> ←	<b>'Neutral'</b> ↔	<b>'Anti'</b> →
<b>Crucial</b>	Douglas Hurd • (Foreign Secretary) • Chris Patten (Chllr of Duchy of Lancaster)	• John Major (PM)	• Michael Howard (Employment) • Norman Lamont (Chancellor)
<b>Important</b>		Tom King • (Defence)	• Kenneth Baker (Home Secretary) • Peter Lilley (Trade and Industry)
<b>Some Interest</b>	• John Gummer (Agriculture) • Michael Heseltine (Environment)  John MacGregor • (LeaderH/Commons)		
<b>Periphery</b>	• Kenneth Clarke (Education) • David Hunt (Wales) Ian Lang • (Scotland) Malcolm Rifkind • (Transport) • William Waldegrave (Health)	• Peter Brooke (N. Ireland) • Lord Mackay (Lord Chancellor) • David Mellor (Chief Secretary) • Antony Newton (Social Security) • John Wakeham (Energy)	• Lord Waddington (Leader H/Lords)
<b>Total</b>	<b>10</b>	<b>7</b>	<b>5</b>

*Source:* Authors interpretation from interviews and correspondence.

### **Limited Influence: EMU**

In contrast to the dramatic manner by which Howard determined the UK negotiating position within the social policy debate, Lamont's influence upon the EMU dossier at both the domestic and EC level was less apparent. This was despite the Treasury being the predominant department on EMU within Whitehall, with the FCO being the only other significant voice. Crucially, a consensus existed within Cabinet on the necessity for a UK opt-out from the third stage of EMU. This meant that Lamont's Eurosceptic outlook did not necessitate the fashioning of a policy radically different from that advocated by other Ministers. Moreover, whereas Major was both prepared to trust Hurd to conduct the negotiations on EPU and resigned to Howard's influence on social policy, he was less inclined to take an aloof position on EMU. As a former Chancellor, with a preference for the detailed work of the Treasury, his natural instinct led him towards taking active involvement within the EMU dossier.

This was notably apparent during an informal meeting in the margins of the June 1991 Luxembourg European Council with Jacques Delors, Jacques Santer, Ruud Lubbers, François Mitterrand and Helmut Kohl (Lamont himself was not present, having been detained at Westminster for a three-line whip on dangerous dogs!<sup>67</sup>). The Prime Minister informed them he would not sign an agreement at Maastricht if the EMU talks created a legally binding obligation for the UK to join a single currency, and wanted an undertaking that if such a situation arose then the UK would have an opt-out, which the other leaders agreed to (although not in Treaty text). This differed from a specific opt-out as it provided the government with an ability to proceed to EMU, but with no obligation to do so. A straightforward exemption from EMU, which would have been much easier to secure, was

never its aim. This was finally achieved at Maastricht, although this was done so by Major after Lamont walked out of the Finance Ministers meeting in response to the Dutch chairman, Wim Kok, examining the text of the UK protocol.

Yet, the pursuit of an opt-out reduced the UK's influence at the EC negotiating table, because by focusing so exclusively on it the government reduced its ability to keep abreast of other areas of the negotiations. However, this did not appear to bother the government, partly because of the Chancellor's scepticism towards the whole process. His view was based on a consideration that it would be difficult for EMU to be reached by 1999, while he believed the government would take a definite decision not to participate in EMU. Distrust and distaste for the whole monetary project by Lamont was emphasised by his refusal to sign the Treaty on European Union in February 1992 because he did not consider it worthy of signing as it firmly stated a single currency would be established - a development he was opposed to. This resulted in the Financial Secretary to the Treasury, Francis Maude, signing it instead. The government's negative stance towards EMU effected BoE efforts to persuade Central Banks of the merits of UK proposals, as well as to the efforts of Treasury and Foreign and Commonwealth Office (FCO) negotiators. Perversely, these very negotiators had a greater ability to engage than the teams which lead on EPU. The Wicks-Kerr team were more aware of the government's objectives than was the case on EPU, where there tended to be a mindfulness only of what it did not want (which, we may infer, was practically everything). Because EMU was a Treasury negotiation, with very little influence from outside departments other than the FCO, it was far easier to resolve a Whitehall line. In contrast, if policy needed clarification on EPU, numerous departments could have a viewpoint. This resulted in a slower decision-making

process and, because many government Ministers were involved on EPU, when they met to discuss IGC issues they often ended up focusing on non-IGC issues which they considered to be more important. The possibility for this happened far less on EMU, but because the political tone of the government was against the project, the EMU negotiators were just as handicapped.

In effect, London's success was limited to specific, detailed points, notably the inclusion of 'gross errors' in Article 104c(2), which ensured that the excessive deficit procedure should only occasionally come into being by taking account of cyclical developments. Otherwise, it obtained the inclusion of the 'ways and means' facility within the EMU opt-out text,<sup>68</sup> while on EPU it achieved the inconspicuous inclusion of the Barber Protocol<sup>69</sup> alongside a commitment to subsidiarity within the Treaty and not the preamble. By contrast, the Treaty confirmed the irreversibility of the process by setting a deadline of 1 January 1999 for the commencement of Stage 3 of EMU (Article 109j), thereby contradicting UK preferences.<sup>70</sup>

### III

#### **Conclusion**

It is evident that the IGC negotiations on EPU and EMU were handled in different ways. The EMU talks were simpler, with very little need for inter-departmental co-ordination because of the singular nature of the subject. But the government's preference not be committed to a single currency reduced the influence negotiators had in the IGC, both at an official and Ministerial level, the latter being the result of Lamont's scepticism towards EMU. In contrast, within EPU there existed a greater consultation procedure, involving

numerous government departments because of the broad nature of the subjects discussed during the IGC. Whereas policy on EMU was essentially decided within the Treasury, EPU decisions were channelled through the European Secretariat. But, because topics touched on a greater number of departments, and because decisions were often subject to prolonged, and personal discussion, the government was not always clear as to what its position was on the numerous points the EPU IGC debated. In addition, as the EPU negotiations were more wide-ranging, and as the government had its eye on particular issues such as social policy, it did not give proper attention to all aspects of the negotiations.

During the IGC, certain trends were apparent. First, government Ministers did not consider the IGC to be their top priority. This tended to be the general election and maintaining the unity of the Conservative Party. The situation reflected a certain 'ambivalence within the Conservative leadership about closer European integration'.<sup>71</sup> While broad trends in government policy towards the IGC were clear, such as an EMU ticket not involving any compulsion to join, it was not forthcoming on other issues. One of the reasons for this was because if agreement had been taken within Cabinet at an earlier stage, on subjects such as the powers of the EP, it would have been highly likely the ensuing decision would have been subject to even further debate over whether it was the correct choice, or not. Party management was therefore an important aspect of the negotiations. Vagueness was the order of the day for much of the IGC because Major constantly asked for more time, both domestically and at a European level. He did not want to bind himself to any agreements at an early stage of the discussions, which may have been difficult to disentangle from at a later stage. By waiting until the last minute, before

making concessions on certain points, he considered the government's negotiating hand would be maximised, even though it had no aces to play.

The driving force behind this strategy was Major's position in relation to his fellow Cabinet members. Major was *primus inter pares*, partly because he did not want to dominate meetings as such a policy had the scent of Thatcher's downfall, and partly because he was incapable of exerting dominance even if he so desired because of the splits among Cabinet Ministers and the Parliamentary Party on European issues. The leader of the government was effectively a prisoner of his fellow Cabinet Ministers. He could not lead policy or present deals achieved with other EC governments, without full consultation. Some members of the Cabinet had greater power than their position merited, most notably Michael Howard, who managed to raise the tempo on social policy.

Such developments meant clear policy objectives were not always forthcoming for the government's EPU negotiators in particular. They were not tied to a government line, but were instead tied to the absence of a government line on many policy issues (particularly EPU). This was not a reflection of a failure of policy co-ordination: many meetings were arranged, but at Ministerial level they were often cancelled, or hijacked by other topics which were deemed to be more important. On EMU, which was principally driven by the Treasury, it was easier for a negotiating line to be established and translated into a set of instructions for the negotiators. On EPU, where issues impinged on numerous departments, and where there existed differences on policy objectives, for example with Chris Patten favouring a softer UK line on social policy, and Howard desiring the reverse, the government did not manage to establish a clear set of policy objectives, not least because of domestic political opinion.



While Kerr and Hadley were broadly aware of Ministers' desires on EPU issues, how those objectives would, or could, be won was not clear. Furthermore, there existed a naïveté at Ministerial level as to how the negotiations could be conducted. There was a lack of awareness as to the necessity for the UK to offer some form of flexibility by accepting policies which, although unpalatable, meant that other key objectives would be more easily obtained. The result was the attainment of a deal at Maastricht<sup>72</sup> which broadly satisfied the government's demands. In the process of the negotiations, the very fact the UK made headway equally relied on the skill of Hadley at the UK end and Kerr at the Brussels end, and on the Wicks-Kerr team on EMU, although the latter were made more aware of what was acceptable or not. This is not to say the agreements were necessarily a success for the UK, but they could be presented as 'Game, Set and Match' for the government.<sup>73</sup>

<sup>1</sup> I am grateful to the numerous UK government officials who provided many helpful insights on the co-ordination of policy, Professor John Young and Dr Philip Lynch of the Politics Department at Leicester University and an anonymous referee.

<sup>2</sup> European Council, 'Conclusions of the Presidency, Maastricht European Council, 10-11 December 1991', *Bull. EC*, Vol.24, Issue 12, points 1.1-1.19.

<sup>3</sup> R. Corbett, 'The Intergovernmental Conference on Political Union', *Journal of Common Market Studies*, Vol.30, No.3 (1992), 271-98; F. Laursen and S. Vanhoonacker (eds.), *The Intergovernmental Conference on Political Union: Institutional Reforms, New Policies and International Identity of the European Community*, (Dordrecht: Martinus Nijhoff, 1992); J. Cloos; G. Reinesch; D. Vignes; and J. Weyland, *Le Traité de Maastricht: Genèse, Analyse, Commentaires*, (Bruxelles: Établissements Émile Bruylant, 1993); R. Pryce, 'The Treaty Negotiations', in A. Duff, J. Pinder and R. Pryce (eds.), *Maastricht and Beyond: Building the European Union* (London: Routledge, 1994), 36-52; and P. Schoutheete, 'Réflexions sur le Traité de Maastricht', *Articles de droit de Louvain*, Vol.LIII, No.1, 1993, 73-90.

<sup>4</sup> See, for example, D. Hurd, *The European Community: Strength through Evolution*, speech to the CBI, Glasgow, 5 November (London: FCO Verbatim Service, VS058/90, 1990), p.5, and *Europe Renewed*, The Churchill Memorial Lecture, Luxembourg, 19 February, (London: FCO Verbatim Service, VSO04/91, 1991), pp. 6-9.

<sup>5</sup> P. Cradock, *In Pursuit of British Interests: Reflections on Foreign Policy Under Margaret Thatcher and John Major* (London: John Murray, 1997), p.137.

<sup>6</sup> European Council, *Treaty on European Union*, (Luxembourg: Office for Official Publications of the European Communities, 1992), Article J.4.1.

<sup>7</sup> Interview: former HM Treasury Minister.

<sup>8</sup> Ibid.

<sup>9</sup> Interview: former FCO Minister.

<sup>10</sup> OPD(E) comprised Douglas Hurd, Norman Lamont, Kenneth Baker, Peter Lilley, Tom King, John Macgregor, Michael Heseltine, Chris Patten, John Gummer, Ian Lang, Peter Brooke, Michael Howard, David Hunt, Malcolm Rifkind, Sir Patrick Mayhew, Richard Ryder, and Tristan Garel-Jones. The UK Permanent Representative to the EU, Sir John Kerr, also attended. Cabinet Office, *Ministerial Committees of the Cabinet Office* (London: Cabinet Office, 1994), p.12.

<sup>11</sup> Private interview. See, for example, 'Close up on the cabinet', *The Economist*, 6 February 1982, pp.26-27; P. Hennessy, 'Whitehall's real power house', *The Times*, 30 April 1984, p.12; and *Cabinet*, (Oxford: Basil Blackwell, 1986), pp.27-30.

<sup>12</sup> *Ministerial Committees of the Cabinet Office*, p.12.

<sup>13</sup> Ibid. OPD comprised John Major (chairman), Douglas Hurd, Norman Lamont, Peter Lilley, Tom King, and Sir Patrick Mayhew.

<sup>14</sup> Interview: FCO official.

<sup>15</sup> See, for example, B. Bender, 'Whitehall, Central Government and 1992', *Public Policy and Administration*, Vol.6, No.1 (1991), 13-20.

<sup>16</sup> Central Policy Review Staff, *Review of Overseas Representation* (London: HMSO, 1977), p.44.

<sup>17</sup> Bender, 'Whitehall, Central Government and 1992', p.18.

<sup>18</sup> While previous commentators noted the chairmanship of EQ(O) was a task entrusted to the FCO, with the relevant official normally being the Assistant Under-Secretary for European Community affairs, this position had apparently been taken over by the Cabinet Office by the time of the 1990-1991 IGC. See, for example, Hennessy, 'Whitehall's real power house', p.12, and G. Edwards, 'The Presidency of the Council of Ministers of the European Communities: the case of the United Kingdom', in C. O Nuallain (ed.), *The Presidency of the European Council of Ministers. Impacts and Implications for National Governments*, (London: Croom Helm, 1985), p.240.

<sup>19</sup> H. Wallace 'Relations between the European Union and the British administration', in Y. Mény, P. Muller and J.-L. Quermonne, *Adjusting to Europe: The impact of the European Union on national institutions and policies* (London: Routledge, 1996), p.64.

<sup>20</sup> See, for example, A. Seldon, 'The Cabinet Office and Co-ordination, 1979-87', *Public Administration*, Vol.68, (1990), 103-121.

<sup>21</sup> J. Dickie, *Inside the Foreign Office* (London: Chapmans, 1992), p.270.

- <sup>22</sup> *The Guardian*, 2 December 1991, p.8. Kerr was Permanent Representative between 1990 and 1995, when he became Ambassador to the USA. In 1997 he became Permanent Under Secretary of State at the FCO.
- <sup>23</sup> P. Hennessy, *Whitehall*, (London: Fontana, 1990), p.404.
- <sup>24</sup> Interview: former European Secretariat official.
- <sup>25</sup> M. Butler, *Europe: More than a Continent* (London: Heinemann, 1986), pp.114-5.
- <sup>26</sup> It supported personal representatives, just as the Antici Group supported COREPER.
- <sup>27</sup> In the course of a Presidency it is a useful co-ordinating tool where a Presidency can inform Member States of how they intend to tackle particular problems and discover the room for manoeuvre on specific points. At European Council meetings it acts as a liaison between the national delegations and Heads of State or Government.
- <sup>28</sup> Interview: FCO official.
- <sup>29</sup> Interview: former HM Treasury official.
- <sup>30</sup> The Wicks Group comprised David Hadley, Sir John Kerr, Michael Jay, Sarah Hogg (No.10 office), and Treasury officials such as David Bostock, the Under-Secretary responsible for EC policy, while the Bank of England (BoE) was represented by the Executive Director, Andrew Crockett, and occasionally by John Arrowsmith.
- <sup>31</sup> Interview: HM Treasury official.
- <sup>32</sup> Ibid.
- <sup>33</sup> Additional input from the FCO came through Michael Jay, whose presence in the Wicks Group was to ensure a proper understanding between FCO and Treasury officials responsible, respectively, for EPU and EMU. Jay also chaired a sub-group of the Wicks Group, consisting of officials from the Treasury, FCO, BoE and Cabinet Office, whose role was to keep an eye on the implications of proposed institutional changes in the IGC.
- <sup>34</sup> The BoE representative on the EC Monetary Committee was Andrew Crockett, supported by Sir Nigel Wicks. Crockett's attendance was duplicated by John Arrowsmith in the Alternate EC Monetary Committee which negotiated the nuts and bolts of the Treaty. Other prominent BoE officials included Mike Evershed, Michael Foot, Governor Leigh-Pemberton and Deputy Governor, Eddie George. Interviews: former BoE and HM Treasury officials.
- <sup>35</sup> Interview: BoE official.
- <sup>36</sup> Interview: former BoE official.
- <sup>37</sup> Cradock, *In Pursuit of British Interests*, p.137.
- <sup>38</sup> Supporters included Kenneth Clarke, Malcolm Rifkind, William Waldergrave, Chris Patten, and Lord Whitelaw; and Patten and Waldergrave came from the left-wing, pro-European Blue Chip club.
- <sup>39</sup> Garel-Jones experience as a Conservative Whip meant he was able to press the government's negotiating position on backbench MPs. T. Gorman, *The Bastards: Dirty Tricks and the Challenge to Europe* (London: Pan Books, 1993), pp.164-5.
- <sup>40</sup> *The Times*, 7 December 1991, p.5.
- <sup>41</sup> *The Guardian*, 28 November 1991, p.11.
- <sup>42</sup> Correspondence: FCO official.
- <sup>43</sup> In contrast to the specific European focus of ECD(I) and ECD(E), Security Policy Department dealt with all broad aspects of UK defence policy, and was engaged in the IGC at two levels. First, by being involved in the IGC in Brussels in what became known as Title V of the Maastricht Treaty (the CFSP provisions), although the security section was a rather minor part of the discussions as a whole. Secondly, and more important, it was engaged in a negotiation in the Western European Union (WEU) to formulate a European position on defence issues. This work eventually became the longer of the WEU declarations annexed to the Maastricht Treaty (no.30).
- <sup>44</sup> The MoD was also involved in the debate, primarily at an official level, with the Secretary of State, Tom King, having only a minor role. While it had no direct involvement in the CFSP debate on the Brussels side, it was heavily involved in the WEU negotiations. Within the MoD there existed a division between the military and the civilian elements. On the military side the issues were dealt with by Air Commodore Peter Millar (now Air Vice-Marshal), who was Director/NATO working in the Commitments staff. He worked alongside, and provided military input to the NATO/UK Policy Secretariat, which was part of the Policy Staff, on NATO, WEU and IGC issues, on which the NATO/UK Policy Secretariat had the lead.
- <sup>45</sup> Interview: former UK PermRep official.

<sup>46</sup> Policy drafting was primarily done through Sir John Goulden, Assistant Under-Secretary for Defence in the FCO responsible for supervising Security Policy Department. See 'Anglo-Italian Declaration on European Security and Defence in the Context of the Intergovernmental Conference on Political Union', 4 October. *Europe Documents*, 5 October 1991, No.1735.

<sup>47</sup> *The Independent*, 4 October 1991.

<sup>48</sup> D. Hurd, *House of Commons Official Report*, Vol.193, 26 June, c.1019. In the June debate MPs were primarily concerned with the *vocation federale* and EMU opt-out. In the 14-15 October Parliamentary debate on Defence, the overwhelming majority of MPs paid no attention to CFSP. William Cash was the only individual to directly refer to the Anglo-Italian declaration in the debate, while the only other mention of the EPU IGC was made by John Cartwright. *House of Commons Official Report*, 14-15 October 1991, vol.196, c. 92 (Cash), and c.215 (Cartwright).

<sup>49</sup> European Council, *Treaty on European Union*, (Luxembourg: Office for Official Publications of the European Communities, 1992), Article J.4.1.

<sup>50</sup> See, for example, Michael Jay's comments in House of Lords, Select Committee on the European Communities, *Political Union: Law-Making Powers and Procedures*, HLP 80, (1990-91), para.28, p.10.

<sup>51</sup> *Ibid.*, para 38, p.11. Also see D. Hurd, *House of Commons Official Report*, Vol.193, 26 June, c.1016. The UK's approach smacked of a desire to divide any institutional unity between the Commission and EP, while the EP's focus on analysing the Commission would possibly dilute its ability to advocate wider-ranging concepts of integration.

<sup>52</sup> The government considered it would be easier to 'sell' such a policy to backbench MPs because Thatcher had accepted the co-operation procedure, and she was portrayed as the arch defender of sovereignty.

<sup>53</sup> Hurd briefly mentioned the concept of co-decision, while other issues dominated the political arena, such as the federal vocation and single currency opt-out. D. Hurd, *House of Commons Official Report*, Vol.193, 26 June, c.1017. Remarkably, it appeared that no MPs had been provided with a copy of the June Luxembourg negotiating text. This was noted by Peter Shore MP, Tony Favell MP, and Aitken. *House of Commons Official Report*, Vol.193, 26 June 1991: Shore c.1009 and c.1053; Favell c.1009; and Aitken c.1054. This attempt to keep MPs in the 'dark' over the negotiations was further emphasised by Emma Nicholson. E. Nicholson, *Secret Society: Inside - and Outside - the Conservative Party* (London: Indigo, 1996), pp.139 and 169.

<sup>54</sup> *Financial Times*, 13 November 1991, pp.1 and 18.

<sup>55</sup> The co-decision procedure strengthened the European Parliament's legislative powers by giving it the right to reject proposals in the following areas: the free movement of workers, the establishment of the internal market, technological research and development, the environment, consumer protection, education, culture and health. But to prevent rejection a Conciliation Committee (made up of Members of Parliament, the Council and the Commission) convenes to seek a compromise before the EP's third reading. Thereafter, if agreement is still not reached the EP can then reject the proposal.

<sup>56</sup> Interview: former FCO Minister.

<sup>57</sup> Information taken from *Survey of Current Affairs*, Vols. 17,18, 19, 20 (London: HMSO, 1987-90)

<sup>58</sup> The Department for Employment team included three Parliamentary Under-Secretaries of State: Robert Jackson; Eric Forth; and the Viscount Ulswater. Approaches were made to all for interviews, but these were rejected on the grounds that Michael Howard dealt with the Social Chapter issue.

<sup>59</sup> 'Workers of the EC (except Britain) unite', *The Economist*, 19 October 1991, p.80. Also see C. Grant, *Delors: Inside the House that Jacques Built* (London: Nicholas Brealey Publishing, 1994), p.196.

<sup>60</sup> When questioned by Andrew Rawnsley as to whether Howard made it clear that he would resign if the Social Chapter was accepted, Howard's special advisor, Timothy Collins, response was 'Well, that was the impression I gained then and subsequently.' Quoted in *BYE BYE BLUES*, programme 1, part 3, p.30 of transcript, Broadcast on chanel 4 on 28 September 1997. Transcript supplied by the programme producers: Brook Lapping, London.

<sup>61</sup> Interview: former FCO Minister.

<sup>62</sup> *Financial Times*, 5 November 1991, p.12.

<sup>63</sup> K. Baker, *The Turbulent Years: My Life in Politics* (London: Faber and Faber, 1993), p.442.

<sup>64</sup> European Council, 'Conclusions of the Presidency, Rome European Council, 14-15 December 1990', *Bull.EC*, Vol.23, 12-1990, point 1.8, p.10.

<sup>65</sup> United Kingdom, 'Co-operation on interior and justice matters', *CONF-UP*, 1783/91, Articles 1-7.

<sup>66</sup> The head of the unit was Michael Gillespie, who had previously been a desk officer in the European Secretariat at the beginning of the negotiations. We can infer that its late construction was very much an afterthought, as it should obviously have been established prior to the IGC, with Baker's scepticism towards the Community being a possible reason for the delay. In due course, the title of the unit was changed to European Communities Unit, or ECU, which in itself suggested a more pro European outlook than was probably the case. It was responsible to Anthony Langdon, the Deputy Secretary in charge of the Immigration and Nationality Division. But, it was not part of that Division, as it was intended to be a central resource for the Office as a whole. Its purpose was to parallel the work of the Cabinet Office as an impartial policy co-ordinator, a stance influenced by Gillespie's own experience in the European Secretariat between 1989 and February 1991.

<sup>67</sup> S. Baxter, 'Dealing with Delors', *New Statesman and Society*, 14 June 1991, p.9.

<sup>68</sup> The 'ways and means', or short-term credit facility, was the mechanism by which the BoE lent money to the Treasury as a method of compensating for unevenness in the flow of its revenues against expenditures. It countered the 'No Monetary Financing Clauses' of the Treaty, which were designed to come into effect at the start of Stage 2, rather than waiting to Stage 3, and would have therefore required the BoE to stop lending to the Treasury. Such a clause was perceived by London to be a significant change in the relationship between Central Bank and Government imposed by a European Treaty and was therefore politically unacceptable. Hence, an explicit exemption was written into the UK Protocol of 'ways and means' advances on the relevant No Monetary Financing aspects of the Treaty. See *Treaty on European Union*, Protocol on Certain Provisions Relating to the United Kingdom of Great Britain and Northern Ireland, para 11

<sup>69</sup> See *Treaty on European Union*, Protocol concerning Article 119 of the Treaty establishing the European Community. Also see Norma Cohen, 'Diplomatic end to pension saga', *Financial Times*, 14 December 1991. It stressed that employers could offer unequal pensions for men and women for work performed prior to 17 May 1990, when the European Court of Justice ruling in the case of Barber v Guardian Royle Exchange had adjudged that pension was part of pay and that men and women should be paid the same for equal amounts of work. Consequently, it provided that allowing women to retire on full pension at the age of 60 was unfair to men.

<sup>70</sup> See, for example, 'Single currency by 1999 despite UK objections', *Financial Times*, 10 December 1991.

<sup>71</sup> D. Baker; A. Gamble; and S. Ludlam, '1846...1906...1996? Conservative Splits And European Integration', *The Political Quarterly*, (1993), 420. Also see N. Lawson, *The View From No.11* (London: Bantam Press, 1992), chs 39 and 71-76.

<sup>72</sup> *Bull. EC*, Vol.24, 12-1991, points I.1-I.4.

<sup>73</sup> S. Hogg and J. Hill, *Too Close To Call: Power and Politics - John Major in No.10* (London: Little, Brown and Company, 1995), p.157. Also see *Financial Times*, 12 December 1991.